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Ex-Air Force General, Business Partner Said to Help Carry Out Iran Initiative

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WASHINGTON—Communications intercepted by the National Security Agency show that former Air Force Maj. Gen. Richard Secord and his business partner, Albert Hakim, played important roles behind the sale of U.S. arms to Iran and the diversion of funds to Nicaragua insurgents intelligence sources said.

"Hakim and Secord are major actors within this thing," said one source familiar with the intercepts, which complement a paper trail of banking and corporate ties running from the U.S. to Switzerland and then back through Bermuda to Central America. The National Security Agency is a government agency responsible for intercepting world-wide communications.

The role played by Maj. Gen. Secord and Mr. Hakim is attracting increased attention as investigators try to unravel the administration's complex and secret Iran-Nicaragua dealings. So far, the exact amount of money involved, and how it was diverted, remains unclear. But investigators believe the two men are part of a network of private individuals tapped by Marine Lt. Col. Oliver North, a former National Security Council aide, to carry out the secret policies.

"If you're going to bypass the bureaucracy, you don't have a lot of alternatives," said an administration official.

Administration officials say that Lt. Col. North, in turning to private individuals for help, was unable to control all aspects of the operation. "There's no way Ollie could provide any systematic oversight of what was going on down there," said another U.S. official, referring to the Contra supply operation. "He was spread too thin."

Maj. Gen. Secord's military and intelligence background is matched by Mr. Hakim's long record of business dealings in the Mideast and Switzerland. An Iranian-born Jew, Mr. Hakim is described by one former law enforcement official as having "strong Israeli military-type ties." Both men have declined to comment on their involvement.

A representative for U.S. corporations doing business in the Shah's Iran, Mr. Hakim admitted three years ago in sworn testimony that he routinely arranged to funnel most of \$6.1 million in commissions he received from Olin Corp. to Iranian military officials who helped award valuable contracts to Olin's Winchester ammunition division in the early and mid-1970s.

Some of the money moved through Switzerland as part of that scheme was deposited in the Geneva branch of Union de Banque Suisse. The same institution was identified in a card carried by one of the American fliers killed when a plane carrying weapons for the Contras fighting the Nicaraguan government was shot down in that country this fall.

Thomas Clines, a former Central Intelligence Agency employee, played at least a tangential role in assisting Lt. Col. North, according to sources. Like Maj. Gen. Secord and Mr. Hakim, Mr. Clines has a history of past associations with former CIA agent Edwin Wilson, who was convicted in 1982 of illegally exporting arms and explosives to Libya.

A defunct company which Mr. Clines controlled pleaded guilty in early 1984 to filing false invoices with the Defense Department for transporting U.S. military goods to Egypt. The plea was part of a settlement of a case in which the government alleged that an estimated \$2.5 million from inflated billings had gone to Mr. Clines.

Reports this week about the flow of funds from Iran to the Contras have focused on a single Central Intelligence Agency account in Switzerland, where initial proceeds from the Iranian sales were deposited. But intelligence sources said the Iran-Contra operation quickly came to involve accounts outside the CIA's control, as arms dealers learned about early arms shipments by the U.S. and sought to move in on the trade.

"The money moved with him (Secord)," said an intelligence source familiar with the National Security Agency intercepts.

Willard Zucker, Mr. Hakim's attorney and a former director of the Investor Overseas Mutual Fund when it was run by international financier Bernard Cornfeld, also appears to have played a part. Mr. Zucker manages a Geneva firm, Compagnie de Services Fiduciaires, which reportedly has an affiliate, CSF Investments, registered by separate attorneys in Bermuda. These companies were at least one of the channels believed used to move funds to the Contras.

Mr. Hakim, who has had ties in the past with the CIA, has controlled a series of companies in Iran and Switzerland, but he currently is most identified in the U.S. with Stanford Technology Trading. Now an American citizen, he lives in northern California; Maj. Gen. Secord operates from a base at Stanford's Virginia offices.

Mr. Hakim's has had dealings in recent years in South Korea and the Mideast. While some reports have linked him with Saudi Arabia, which reportedly was involved in some phases of the Iranian arms deals, there is more evidence that he has ties to Israel. "I am sure he is well known to the Israelis," said one intelligence source.

Mr. Hakim's close ties to some powerful military leaders in the regime of the Shah of Iran were disclosed in a 1983 disposition that he gave in a civil case in Connecticut. In the disposition, he testified that he personally handled some of the payoffs to Iranian military officials and used intermediaries to make others to win business for Olin. Olin officials denied that top management had knowledge of any improper payments.

Confidential U.S. government files and records in the civil case show that Mr. Hakim used Swiss bank accounts in that payoff scheme. They show, for example, that \$670,000 went into a Swiss account controlled by the nephew of General Hassan Toufanian, who was the vice minister of war and the Shah's chief arms procurer. Mr. Toufanian couldn't be located for comment.

Mr. Hakim testified that another chief recipient of the payoffs was the late General Mohammed Khatemi, the Shah's brother-in-law who was the commander of the Iranian Air Force.

Mr. Hakim said in his deposition that he helped some officials hide their payoffs. One Iranian general, he testified, was reluctant to open a Swiss account in his own name, so Mr. Hakim arranged to hold the money for him.

"One of the reasons they leave their money with you is because they are not sophisticated yet to understand the banking world, especially in Switzerland," explained Mr. Hakim. "So they entrust with you the money . . . until such time that they feel safe to take it. That's part of the service given to them."

In addition to the complex job of tracing the flow of Iranian payments for U.S. arms, investigators face a daunting task trying to determine where the funds actually ended up. Intelligence sources dispute recent suggestions from within the Reagan administration that substantial sums were diverted from the arms sales to covert operations in Afghanistan and Angola. But they also wonder how much money actually reached the Contra supply operation. "If these guys got \$10 million or more of new money, it didn't show," said one official.

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